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**No. Fin (Pen)A(3)-1/97-I**  
**GOVERNMENT OF HIMACHAL PRADESH**  
**FINANCE (PENSION) DEPARTMENT**

*Shimla-171002, Dated the 4th June, 2005*

**OFFICE MEMORANDUM**

**Subject:- Restoration of one-third commuted portion of pension in respect of the Government servants who had drawn lump-sum amount on their absorption in a Public Sector Undertaking/Autonomous Body.**

The undersigned is directed to say that in accordance with the provision of this Department's O.M. No. Fin (Pen)A(3)-2/88 dated 8<sup>th</sup> January, 1997 and No. Fin (Pen)A(3)-2/88 dated 15<sup>th</sup> December, 1997, Himachal Pradesh Government employees who had got themselves absorbed in PSU's/Autonomous Bodies and had drawn lump-sum amount on their absorption were entitled to restoration of 1/3<sup>rd</sup> commuted portion of their pension after 15 years of such commutation or after the pensioner concerned attained the age of 70 years, whichever is earlier.

2. The matter regarding allowing the benefit of revision of restored amount of 1/3<sup>rd</sup> commuted portion of pension in respect of the absorbees who had drawn lump-sum amount on their absorption has been considered in the Government. The Governor of Himachal Pradesh is, therefore, pleased to decide that such absorbed employees shall also be entitled to the benefit of revision of restored amount of 1/3<sup>rd</sup> commuted portion of pension at par with other State Government pensioners. Accordingly, in continuation of the instructions contained in this department O.M. No. Fin (Pen)A(3)-2/88 dated 08-01-1997, it has been decided that the cases of absorbed employees for revision of restored amount of 1/3<sup>rd</sup> commuted portion of pension shall be regulated as under:-

1. **Revision of the restored amount of 1/3<sup>rd</sup> commuted portion of pension as per the Liberalized Pension Formula of 1979 where permanent absorption in the PSU/Autonomous Body had taken place prior to 31-03-1979.**

(a) In such cases, the basic pension that was sanctioned at the time of absorption should be first notionally revised as per the Liberalised Pension Formula of 1979. For this purpose, the Ready Reckoner prescribed under Finance (Regulation) Department O.M. No. Fin (C)A(3)-5/81 dated 16<sup>th</sup> April, 1984 should be made use of. After the basic pension has been notionally revised, 1/3<sup>rd</sup> portion of such pension should be worked-out and restored after 15 years from the date of commutation or 1-4-1982, whichever is later. Table-I of Annexure-I is enclosed as specimen for guidance.

(b) The basic pension after having been notionally revised as in (a) above should be further notionally rationalised as per Table prescribed under Finance (Regulation) Department O.M. No. Fin (C)A(3)-7/87 dated 10<sup>th</sup> June, 1987. After the revised notional basic pension has been calculated, 1/3<sup>rd</sup> portion of such pension should be worked-out and shall be payable in lieu of the amount arrived at (a) above *w.e.f.* 1-1-1986 or 15 years from the date of commutation, whichever is later. Table-II of Annexure-I is enclosed as specimen for guidance.

(c) The basic pension after having been notionally revised and consolidated as in (a) and (b) above should be further notionally revised as per Table prescribed under Finance Department (Pension-Cell) O.M. No. Fin (Pen)A(3)-1/96-Part-II dated 31-08-1998. After the



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notional basic pension has been so calculated, 1/3<sup>rd</sup> portion of such pension should be worked-out and shall be payable in lieu of the amount arrived at (b) above w.e.f. 1-1-1996 or 15 years from the date of commutation, whichever is later. Table-III of Annexure-I is enclosed as specimen for guidance.

**(II) Revision of the restored amount of 1/3<sup>rd</sup> commuted portion of pension where permanent absorption in a PSU/Autonomous Body has taken place on or after 1-4-1979 but prior to 1-1-1986.**

(a) The basic pension that was sanctioned at the time of absorption should be first notionally revised as per Table prescribed under Finance (Regulation) Department O.M. No. Fin (C) A(3)-7/87 dated 10<sup>th</sup> June, 1987. Thereafter 1/3<sup>rd</sup> portion of such pension should be worked-out and restored after 15 years from the date of commutation or 1-1-1986, whichever is later. Table-II of Annexure-I is enclosed as specimen for guidance.

(b) The basic pension after having been notionally revised as in (a) above should be further notionally revised w.e.f. 1-1-1996 as per Table prescribed under Finance Department (Pension-Cell) O.M. No. Fin (Pen)A(3)-1/96-Part-II dated 31-8-1998. Thereafter, 1/3<sup>rd</sup> portion of such pension should be worked-out and shall be payable in lieu of the amount arrived at (a) above w.e.f. 1-1-1996 or 15 years from the date of commutation, whichever is later. Table-III of Annexure-I is enclosed as specimen for guidance.

**(III) Revision of the restored amount of 1/3<sup>rd</sup> commuted portion of pension where permanent absorption in a PSU/autonomous Body has taken place on or after 1-1-1986 but prior to 01-01-1996.**

The basic pension that was sanctioned at the time of absorption should be notionally revised as per Table prescribed under Finance Department (Pension-Cell) O.M. No. Fin (Pen)A(3)-1/96-Part-II dated 31-8-1998. Thereafter 1/3<sup>rd</sup> portion of such pension should be worked-out and restored after 15 years from the date of commutation or 1-1-1996, whichever is later. Table-III of Annexure-I is enclosed as specimen for guidance.

**(IV) Revision of the restored amount of 1/3<sup>rd</sup> commuted portion of pension of pre-1986 absorbed employees as per the provisions contained in Finance Department (Pension-Cell) O.M. No. Fin (C)A(3)-1/96-Part-III dated 31-08-1998.**

After completion of the exercise suggested in the situation of (I) and (II) above, the basic pension of pre-1986 absorbed employees should be further notionally revised as per the orders contained in Finance Department (Pension-Cell) O.M. No. Fin (Pen)A(3)-1/96-Part-III dated 31-08-1998 and its 1/3<sup>rd</sup> component worked-out. The same shall be payable in lieu of the amount arrived at (I) and (II) above w.e.f. 1-1-1996 or 15 years from the date of Commutation, whichever is later.

3. Dearness Relief on the restored amount of 1/3<sup>rd</sup> commuted portion of pension shall be admissible at the same rate at which it has been made admissible to other state Government pensioners from time to time.

4. Payment of Dearness Relief on the restored amount is subject to the condition that the absorbed employee should not be re-employed/ employed under the state or Central Government or a Corporation/Company/Body/Bank under them, in India or abroad, including permanent absorption in such Corporation/Company/Body/ Bank at the time of restoration.



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5. It has further been decided that the absorbed employees shall be entitled to the payment of arrear on account of Interim Relief I and II from 1-4-1995 at the same rate at which Interim Relief has been made admissible to State Government Pensioners vide Finance Department (Pension-Cell) O.M. No. Fin (Pen)A(3)-1/95 dated 25-09-1995 and No. Fin (Pen)A(3)-1/95 dated 1st March, 1996 respectively.
6. Arrear on account of Interim Relief shall be payable, provided the absorbed employee has become entitled to restoration of 1/3<sup>rd</sup> commuted portion of pension as on 1-4-1995. Where the 1/3<sup>rd</sup> Commuted portion of pension becomes due for restoration during the period from 1-4-95 to 31-12-95, arrear on account of Interim Relief shall be admissible for the relevant period only. Payment of arrears of Interim Relief is subject to the further condition that the absorbed employee was not re-employed/ employed under the Central or State Government or a corporation/ Company/Body/Bank under them in India or abroad, including permanent absorption in such corporation/Company/Body/Bank. Interim Relief will be shown as a separate element and no Dearness Relief on this element will be payable.
7. The benefit of revision of the restored amount of 1/3<sup>rd</sup> commuted portion of pension shall be admissible from the date the commuted portion of pension is restored.
8. The respective Administrative Department, where the absorbed employee was employed prior to absorption, shall after verification from the relevant records, forward the cases to Senior Deputy Accountant General (A&E), Himachal Pradesh, for issue of P.P.O's/revised P.P.O's.
9. The Senior Deputy Accountant General (A&E), Himachal Pradesh is requested to ensure that at the time of preparing P.P.O's in these cases for authorization of payment, he should clearly superscribe the P.P.O's as PSU/Autonomous Body absorbee and also suitably indicate the originally sanctioned 1/3<sup>rd</sup> commuted value of pension. This will enable all concerned, whenever any revision/merger takes place in future, to identify these cases and ensure that such cases do not get merged with regular pensioners.
10. The Deputy Accountant General (A&E) is requested to ensure that proper test audit of pension cases including those covered by this order may be conducted and it may also be ensured that there are no over payments on account of pension/dearness relief.
11. In cases where the absorbee Government servant had become entitled to restoration of commuted portion but had died subsequently, his/her legal heir(s) is/are entitled to receive arrears from the date of its becoming due till the date of death of the absorbee. For this purpose, Legal heir(s) shall have to apply to the concerned Administrative Department/Office where the absorbed employees was employed prior to absorption.
12. Administrative Departments/officers are also requested to note that restoration of 1/3<sup>rd</sup> commuted portion of pension in the case of absorbees would not make the family member(s) of the absorbee eligible to claim family pension from the Himachal Pradesh Government because the entitlement to family pension on absorption of a Government servant is governed by a separate set of instructions on the subject. It is therefore, to be ensured by the Deputy Accountant General (A&E) and administrative Departments that no mention about payment of family pension from the Government in respect of family member(s) of an absorbee, should be made in the P.P.O.

**Addl. Chief Secretary (Finance) to the  
Government of Himachal Pradesh.**



Table-I

## SPECIMEN

Revision of basic pension as per Liberalised Pension Formula of 1979 for the purpose of working out revised restored amount of 1/3<sup>rd</sup> commuted portion of pension.

1	2	3	(a)	(b)	(c)	(a)	(b)	(c)
Basic pension sanctioned to a Government servant on absorption in a PSU/ autonomous body prior to 31-03-1979.	Basic pension as indicated in Column (i) that would have been admissible as on 01-04-79 as per Department O.M. No. Fin (C)/A(3)-5/81 dated 16-04-1984 in case lump-sum amount had not drawn (Existing pension as on 1-4-79).	Revised amount of basic pension that would have been admissible w.e.f. 1-4-79 as per the Liberalised Pension Formula of 1979 and as per the Ready Reckoner prescribed under Department O.M. No. Fin (C)/A(3)-5/81 dated 16-04-1984 where absorption had taken place during the following period.	01.03.76 & 30.03.79	01.01.73 & 29.02.76	16.06.67 & 31.12.72	One-third commuted portion of revised basic pension indicated in Column 3 to be restored after 15 years from the date of commutation or 01-04-82 whichever is later.		
1	41	50	52	52	52	16	17	17
25	41	50	52	52	52	16	17	17
30	41	50	52	52	52	16	17	17
40	60	73	75	77	77	24	25	25
60	100	122	124	126	126	40	41	42
100	102	124	126	131	131	41	42	43
102	118	144	147	150	150	48	49	50
118	160	194	200	201	201	64	66	67
160	250	304	314	317	317	101	104	105
250	360	437	457	455	455	145	152	151
360								
Where basic pension sanctioned on absorption happened to be Rs. 40. or less it should be stepped up to Rs. 41/- w.e.f. 1-4-79 as per depect. O.M. No. Fin (C)/A(3)-5/81 dt. 16-4-84.		The concept of payment of lumpsum amount on absorption in PSU/Autonomous Body came into existence w.e.f. 16.6.67. Therefore, pre-June 67 period has not been indicated.						

Table-II

## SPECIMEN

Revision of basic pension w.e.f. 1-1-1986 for the purpose of working out revised restored amount of  $1/3^{\text{rd}}$  of commuted portion of pension.

Basic pension as on 31.12.85 that would have been admissible as per Liberalised Pension Formula of 1979 (Table-I) provided that absorbed employee had not opted for lump sum payment on absorption. (Existing pension on 31.12.85)	Further consolidation of basic pension indicated in Column-5 w.e.f. 1-1-86 as per Table prescribed under Finance Department O.M. No. Fin (C)A(3)-7/87 dated 16-06-1987.		One-third commuted portion of revised basic pension indicated in Column 6 to be restored after 15 years from the date of commutation or 01-01-86, whichever is later.	
	Para 4.1 (A) (a)	Para 4.1(B) (b)	Para 4.1 (C) (c)	(a) (b) (c)
5		6		7
Rs. 131 or below	375	375	375	125 125 125
132	376	375	375	125 125 125
133	378	375	375	126 125 125
150	417	375	375	139 125 125
200	530	435	375	176 145 125
250	655	532	375	218 177 125
300	786	636	375	262 212 125
350	917	742	394	305 247 131
500	1309	1060	563	436 353 187



## SPECIMEN

Revision of basic pension w.e.f. 1-1-1996 for the purpose of working out revised amount of 1/3<sup>rd</sup> commuted portion of pension.

Basic pension as on 31.12.95 that would have been admissible as indicated in Column-6 of Table-II provided the absorbed employee had not opted for lump sum payment on absorption .	Further consolidation of basic pension indicated in Column- 8 w.e.f. 1-1-96 as per Table prescribed vide O.M. No. Fin (Pen)A(3)-1/96-II dated 31-08-1998.	1/3 <sup>rd</sup> commuted portion of revised basic pension indicated in Column 9 to be restored after 15 years from the date of commutation or 01-01-96, whichever is later.
8	9	10
375	1310	436
376	1310	436
378	1310	436
417	1327	442
435	1378	459
465	1465	488
530	1655	551
532	1662	554
571	1779	593
636	1972	657
655	2028	676
686	2121	707
742	2288	762
786	2419	806
800	2459	819
917	2809	936
1060	3234	1078
1142	3480	1160
1309	3977	1325